

AT&T

DECEMBER 1994

News

AT&T AND ALFA TO DELIVER TELECOM SERVICES IN MEXICO

Holiday Gifts and Discounts

AT&T is thanking its loyal *True USA Savings* customers by letting them talk with friends and relatives at lower rates than ever this holiday season. For six consecutive Sundays, Nov. 27 through New Year's Day, True USA Savings members can save 40 percent on AT&T domestic long-distance calls. The holiday season discount will be applied automatically to AT&T bills of at least \$10 a month. On those Sundays, the 40 percent discount takes the place of the regular discounts of 10 percent on bills of \$10 to \$24.99, 20 percent on bills from \$25 to \$74.99, and 30 percent on bills over \$75. With the 40 percent discount, callers can talk coast-to-coast for 10 minutes for less than one dollar.

To sign up, call 800-TRUE-USA. A nifty under-\$15 gift idea perfect for teachers, friends, hairdressers, neighbors, the mail carrier or your step-aerobics instructor is the *AT&T PrePaid Card*. A special limited holiday series of 10- and 25-unit denominations features four different scenes: two winter landscapes, toys under a Christmas tree, and Santa Claus. Ten-unit cards are \$4.50, and

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competition, but Mexico is acting—and setting an example for the rest of the world.”

The services the joint venture will offer depend on the terms and conditions of market entry to be issued in early 1995

by the Secretariat of Communications and Transportation, the agency that regulates telecommunications in Mexico, as well as on the alliance's ability to secure an operating license.

Given favorable rulings, however, the venture will concentrate first on domestic and international long distance. “The Alfa and AT&T alliance will make an offer that none of the other new competitors is able to match—we will offer both business and residential service from one end of this big country to the

other, and from Mexico to any other point in the world,” said Pelson.

In addition, the joint venture will

explore the possibility of offering other services such as enhanced business services, wireless, multimedia and, conceivably, even local service.

“The advantage of our alliance is that we would offer a full range of technology solutions to the broadest customer base

across the entire country,” said Dionisio Garza Medina, Alfa's chief executive officer. “We're working with AT&T because of its superior technology, its unparalleled commitment to quality and its proven long-term commitment to Mexico.”

AT&T's roots in Mexico go back to 1927, when it began direct long-distance telephone service between there and the United States. Today, AT&T operates four factories in Mexico and employs more than 8,000 people involved in manufacturing, distribution, sales and other business operations.

Mark Baker, vice president, Global Strategic Planning, Communications Services Group, led the team that successfully negotiated the partnership with Alfa. “Mexico is an attractive, growing

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AT&T Forms Consumer Interactive Services

By Kevin Compton

AT&T last month formed a new unit—Consumer Interactive Services—around its *PersonaLink* Services offering, and is purchasing the *ImagINation Network*™, an interactive entertainment service.

With services such as these, AT&T is making it easier, and more interesting, for people to communicate with each other. And that means more use of the AT&T network.

The *ImagINation Network*, in which AT&T already held a 20-percent stake, features interactive activities ranging from chess and checkers to aerial dogfights and fantasy role-playing games. But members say it's the “chat” sessions, on-line events and electronic mail connecting them that they value most.

PersonaLink Services is an easy and enjoyable way for people to manage their daily communication needs using “intelligent assistants,” mobile software programs that help carry out their owners' instructions. Messaging, getting information and performing transactions will be among *PersonaLink Services* capabilities.

The long-range plan is that these two services and others offered by the new unit, while separate and distinct, will eventually work together to enhance AT&T's relationships with consumers.

The *ImagINation Network* deal, valued at more than \$40 million, also includes a multi-year contract for *Sierra On-Line Inc.*, former parent company of the

ImagINation Network, to provide some of the content.

AT&T announced the new unit and purchase of the *ImagINation Network* at the COMDEX computer trade show in Las Vegas, Nov. 15, where the 200,000 attendees had the chance to see

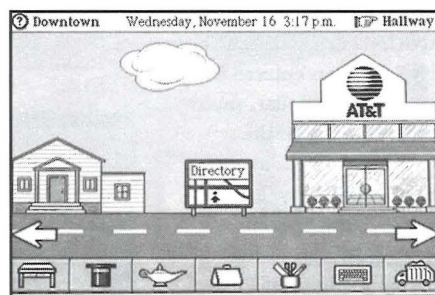
PersonaLink Services and the *ImagINation Network* demonstrated at AT&T's booth.

“The *ImagINation Network* provides a context for communications,” said Gordon Bridge, president, Consumer Interactive Services. “This is an electronic community where people meet and form relationships through games and other activities they enjoy together. The *ImagINation*

Network fits their tag line: They are changing the way the world makes friends.”

Today, owners of Intel®-based personal computers with modems can meet other members of the *ImagINation Network* on-line and engage in a variety of activities in a rich graphic environment. Together, AT&T and the *ImagINation Network* hope to build on that base, providing an open platform for developers of content that encourages enjoyable social interaction.

Thomas Pomeroy, vice president, sales and marketing, the *ImagINation Network*, said AT&T's investment would help the network carry out plans to expand its membership broadly. “AT&T's leadership in networking brings us value, and its long-term relationships with millions of consumers will bring us into more homes than ever before.” ■



Vic Pelson, above, at Mexico City news conference announcing the AT&T/Alfa venture.

By Tom Landers

Building on the momentum of the North American Free Trade Agreement (NAFTA) and looking to favorable regulatory rulings in Mexico next year, AT&T and Alfa, a leading Mexican industrial consortium, announced plans to create a \$1 billion venture to deliver global communications services to Mexico's business and residential customers.

“This agreement is a step toward accomplishing a major corporate priority for AT&T—to expand our communications services throughout North America,” said Vic Pelson, chairman of AT&T's Global Operations Team, at a Nov. 9 news conference announcing the deal. “Alfa is the perfect partner for our participation in Mexico's exploding telecommunications market.”

AT&T's investment in Mexico is scheduled for the next four to six years. Telefonos de Mexico (Telmex), Mexico's national telecommunications company, will relinquish monopoly control of the long-distance market on January 1, 1997. When that happens, AT&T won't be vying against only Telmex. MCI and Sprint, among others, have announced plans to compete in Mexico and have lined up Mexican partners.

“We will have no shortage of competition. That will be good for us and good for Mexican customers, because more competition means more and better services,” said Pelson. “Public policy makers in Mexico know that information technology works best in an atmosphere of free and robust competition. Mexico's commitment to advanced information technology is matched by its commitment to open up the national telecommunications market to competition. Many countries today are talking about

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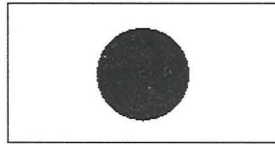
Newsbriefs

HOLD THAT SPRINT DEAL ... AT&T has asked the Federal Communications Commission to approve the proposed acquisition of a significant share of Sprint by France Telecom and Deutsche Bundespost Telekom only on the condition that American telecommunications firms have comparable and concurrent access to markets in France and Germany. In its filing, AT&T said that approving the proposed deal would allow Europe's two largest telecommunications monopolies to buy instant access to the intensely competitive U.S. long-distance market while their own markets remain closed to American carriers.

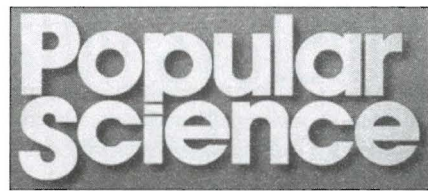
"AT&T is in favor of fair and open competition," said Vic Pelson, chairman of AT&T's Global Operations Team. "We would welcome the French and the Germans to join the competitive free-for-all in the U.S. long-distance market—but not until American carriers can compete in their home markets on the same terms." Pelson noted that no American carrier can do in France or Germany what they are proposing to do in the United States: offer basic telephone services to all customers in the United States through their purchase of Sprint.

ATOMICS CONTRACT... Nippon Telegraph and Telephone (NTT) announced Nov. 17 that its long-distance network would be monitored, controlled and administered by a network management software system jointly developed with AT&T. At the new Network Control and Management Center in Tokyo, NTT and AT&T

officials inaugurated the communications management facility and the New Advanced Traffic Observation and Management Information Collection System (New ATOMICS) network management system. AT&T was awarded the New ATOMICS contract, the largest of its kind in history and valued at \$110 million, in September 1992.



BEST INVENTIONS ... Popular Science magazine named two AT&T inventions among the "100 Best of What's New." They are a new type of semiconductor laser that operates like an electronic waterfall and a computer modem that allows users to send and receive still images, graphics or data while talking on the phone. The quantum cascade laser, invented at



Bell Laboratories, is the world's first laser that can be made in such a way that it will emit light at a specific wavelength set at nearly any point over a very wide range from the mid- to far-infrared spectrum. The AT&T DataPort 2001 Multimedia Communicator, a small, modem-sized box that allows standard telephone lines to support simultaneous conversation and data transfer, is made by Paradyne. It uses Paradyne's new VoiceSpan technology, which increases the capacity of existing telephone lines by splitting a single line into two virtual channels, one transmitting audio and the other high-speed data, including images. With it, users can send text or slides, music or voice, all on one line, all at the same time.

AND THE NUMBER IS ... Need an out-of-town or out-of-country phone number, but don't know the area code or country code? Don't worry. Soon you can dial 1-800-CALL ATT and ask for the number by city and state or country. The service will provide the number and even connect the call, if desired. The cost of 75 cents for obtaining up to two domestic telephone numbers, and \$3.95 for one international

number, will be charged to the customer's credit card or calling card, as the law requires. As a result, AT&T's service does not raise fraud and customer confusion problems, unlike a recently introduced MCI service that bills the number from which the call is placed. MCI's service has been challenged as illegal by AT&T. Businesses, including hotels and universities, also have com-

plained to the Federal Communications Commission (FCC). AT&T's new offer protects the public's trust in the toll-free status of 800 service, which AT&T developed and introduced 27 years ago. In its recent complaint to the FCC about MCI's service, AT&T noted that 800 services have become "universally understood and accepted as toll-free to the calling party." Charging the caller for infor-

mation conveyed via an 800 service without the required billing arrangement, such as a calling card or credit card, "flies squarely in the face of the Congressional mandate prohibiting the deceptive use of 800 numbers," AT&T stated in documents filed with the FCC last month. 1-800-CALL ATT directory assistance and call connection capability will be available upon approval of the tariff.

CORDLESS CORNUCOPIA ...

A new family of five cordless telephones, including AT&T's first cordless model with a liquid crystal



display in the handset, has hit the marketplace. The AT&T Cordless Telephone 5484's lighted handset display simplifies the calling process with user-friendly features such as up-and-down arrows that allow the caller to scroll through the phone numbers in memory and, once the desired number is found, simply tap "send" to place the call.

All of the new models feature Clarity Plus, the AT&T Bell Laboratories technology that gives these cordless phones sound quality that is as clear as that of corded phones. Model 5552 is a two-line, 10-channel, cordless speakerphone.

Cordless Telephones 5471 and 5481 feature a 20-number memory and a 10-channel auto select feature. Prices for the phones range from \$99.99 to \$179.99. AT&T also introduced a stand-alone telephone answering system that allows access from a cordless phone. The AT&T Digital Answering System 1756 is available for \$139.

NCR MICROELECTRONICS SOLD ... AT&T Global Information Solutions has sold its microelectronics unit, NCR Microelectronic Products Division, to Hyundai Electronics America. Although the exact terms were not disclosed, the purchase price was in

excess of \$300 million. The acquisition represents the largest direct investment by a Korean company in the United States. Hyundai said the microelectronics division will retain its current management and operate as an independent, autonomous sub-

siary. The company intends to hire all present employees at their current positions and salaries, and with similar benefits. The transaction remains subject to certain regulatory approvals and is expected to be completed by the end of the year.

INDIAN JOINT VENTURE ... AT&T Network Cable Systems and Finolex Cables Ltd., New Delhi, have formed a joint venture company, AT&T Finolex Fiber Optic Cables Ltd., that will manufacture LXE Lightpack Fiber Optic Cables for use in telecommunications and commercial applications. The new company, AT&T's third manufacturing joint venture in India, will be located near Pune in the state of Maharashtra and will begin production in early 1996. Annual production capacity of cable is estimated at more than \$20 million. AT&T will own 51 percent, and Finolex 49 percent, of the company.



BANKING ON RUSSIA ...

AT&T Tridom entered into a multimillion dollar, multi-year contract with the Russian Savings Bank and a related cooperative agreement with the Special Research Bureau of the Moscow Institute of Power Engineering, the network integrator for the bank. The Russian Savings Bank contract calls for Tridom to provide a satellite system for a data communications network connecting the bank's regional offices and branches to its data center in Moscow. Installation of the network is scheduled to begin in February 1995, with plans to have 79 branch offices connected by the end of the year. Eventually, the network may include more than 1,200 Savings Bank branches located across Russia.

People in the news

Robert Sees, a Southeast Asia support manager in Global Business Communications Systems, Basking Ridge, N.J., received the New Jersey Distinguished Service Medal for acts of bravery during the Vietnam War. Sees also had been decorated with the Silver Star and six Bronze Stars.

Willie Abner Alexander, an AT&T internal auditor in the CFO organization, Atlanta, was pro-

moted to brigadier general in the Alabama National Guard. Alexander commands the 122nd support group in Selma, Ala.

Lou Lanzerotti, distinguished member of technical staff, AT&T Bell Laboratories, Murray Hill, N.J., was honored last summer with the National Aeronautics and Space Administration's (NASA) highest civilian honor. In

addition, the International Astronomical Union gave Lanzerotti's name to Minor Planet 5504, a large asteroid discovered in 1985. NASA bestowed him with its Distinguished Public Service Medal for "distinguished and unstinting public service in advising the United States space program over a period of many years."

Federico Capasso, head, Quantum Phenomena and Device Research, Bell Laboratories, Murray Hill, N.J., received the 1994 Heinrich Welker Memorial Medal for his contributions to the quantum effect III-V compound semiconductor devices. The award is presented by the A.G. Siemens company in memory of Heinrich Welker, the pioneer of III-V semiconductors. These types of semiconductors, are used in certain types of lasers.

Ingrid Daubechies, member of technical staff, AT&T Bell Laboratories, Murray Hill, N.J., was honored by the American Mathematical Society for excellence in mathematical writing. She received the Steele Prize for her 1992 book, *Ten Lectures on Wavelets*. Daubechies is the first woman to receive this prize since it was introduced in 1970.

What's Good for the Goose Is Good for... Everyone



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Chicago Tribune photo by George Thompson

Alan Bonanno campaigned for a natural environment at the Network Software Center in Lisle, Ill.

Canada geese no longer mistake the lawn at the Network Software Center (NSC) in Lisle, Ill., for nesting grounds. Now, when the geese scout NSC's 82 acres for a nice grassy spot, they find—thanks to Alan Bonanno—purple coneflowers, yellow prairie sunflowers and rosy-pink blazing stars.

The idea to quit mowing and plant native prairie grew from the discovery that lawn chemicals were killing robins and other small birds on the AT&T grounds. That's when AT&T Environmental Club members Harold Schessler and Mary Ellyne Snyder became opponents of using chemical fertilizers and pesticides on the corporate grounds. Bonanno joined the

environmental club because of his enthusiasm for the NSC recycling program, and quickly took up the no-chemicals cause.

Bonanno, a communications planner with Network Systems, knew that the shortest route to success started with gathering facts. So he met with naturalists at the world-renowned Morton Arboretum in Lisle and with conservation landscape design specialists. He armed himself with facts about the landscape's relationship to wildlife and economic prosperity, and became convinced that converting the landscape to native prairie was the best solution. The trick became convincing others.

"Some people were afraid native wildflowers and grasses might look unkempt and detract from our corporate image," says Bonanno. Schessler, a senior programmer at Bell Labs, and Snyder, an *Interspan* communication technicians supervisor, helped gather more than 300 employees' signatures on a petition supporting the prairie idea. Finally, Bonanno convinced the decision makers that the benefits—reduced mowing and watering; no more use of lawn chemicals; creation of homes for native wildlife and an annual saving of \$35,000 to \$40,000—outweighed the obstacles.

AT&T's Illinois Administrative Services Business (IASB) building managers proceeded conservatively, spending \$27,000 to convert 18 acres in May 1993.

Several weeks of rain delayed seeding after the soil was harrowed, and for the rest of the year the grounds seemed to produce nothing but mud and weeds. But in the spring of 1994, the erstwhile "weeds" blossomed into a quilt of many colors, and Bonanno's vision was revealed.

Tony Baumstark, IASB building manager, says, "Last spring, these grounds looked like the lyrics to *America the Beautiful*—'amber waves of grain'—only in color. Waves of purple, white and gold literally shimmered in the sunlight. People were stopping their cars to admire the view. *The Chicago Tribune* sent a reporter out to see what was causing the traffic jam."

Favorable comments from customers, employees and even a congratulatory letter from Vice President Al Gore, encouraged building managers to extend the native habitat to 28 acres at the Bell Labs Indian Hill Main location across the street from the NSC.

Non-chemical fertilizers are now used on the acres of grassy lawn that remain. Members from the local AT&T Woodworking Club and Telephone Pioneers made bluebird houses that adorn numerous posts at the edges of the prairie.

As the field's visual drama was unfolding in May 1994, AT&T Chairman Bob Allen spoke at the National Academy of Engineering's international conference about AT&T's role in supporting industrial ecology. Allen said, "Kermit the Frog was right when he said 'it's not easy being green.' Then again, with a balding ozone layer, it's not easy being a frog these days, either."

It's getting easier to be a frog in Lisle these days.

Note: Employees who are interested in further information may request a copy of the NSC proposal by calling Bonanno on 708-979-6741. A short videotape, "AT&T: Transformation of the American Landscape," is available for \$12.25 from Terry Allen at Lighthouse Productions, 708-506-1414. ■

—Jean Pascual

Alfa Venture

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market that will see even more growth under NAFTA, as businesses invest there," said Baker. "The one thing they'll all need is telecommunications. In addition, there's a strong link between the United States and Mexico through large numbers of people who have crossed the border—in both directions—and who call home frequently to keep in touch with relatives and friends."

Mexico currently boasts a \$7 billion annual telecommunications market, and its more than 2 billion minutes a year of telephone traffic with the United States is second only to the traffic between the United States and Canada.

At present, Mexico has eight telephone lines per 100 people (see chart), a figure that is expected to more than double in the next six years, as competitive forces continue to shape Mexico's economy. In addition, residential consumer calling represents approximately 70 percent of the calling volume between Mexico and the United States.

AT&T plans to continue its long and mutually beneficial relationship with Telmex of providing long-distance service to and from Mexico. In addition, Telmex remains a valued customer of AT&T Network Systems. In recent years, Telmex has purchased more than 1 million local lines of *SESS* switching, a 54-city, 8,000-mile fiber "backbone" network worth \$130 million, and a \$15 million "fiber-to-the-business" project in Mexico City and adjacent high-traffic regions.

Industry analysts voiced support for the planned joint venture. "When you take a company like AT&T, which is clearly the world's most powerful telecommunications entity with the world's most sophisticated technology, and combine it with a company like Alfa, with all its considerable financial assets, and you make it the new

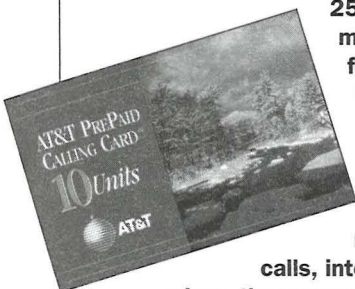
kid on the block—it's scary," said Jack Grubman, a telecommunications analyst at Salomon Brothers in New York.

Under the terms of the memorandum of understanding, Alfa's share of the voting equity of the joint venture would be 51 percent. AT&T's would be 49 percent. Mexican law prohibits foreign telecommunications companies from owning more than a 49 percent stake in Mexican firms.

Headquartered in Monterrey, Alfa, a \$2.5 billion global company with a leadership position in a diverse portfolio of steel, automotive, petrochemical, textile and food businesses, has 15 strategic alliances with companies in Asia, Europe, Latin America and the United States. ■

Gift Ideas

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25-unit cards are \$11.25 (a unit is worth one minute of domestic calling). Buy the series, good for domestic and international calls placed from the United States, at AT&T Phone Centers.

The newest product on the shelves this season is the AT&T Digital Answering System 1756. At \$139 retail, the stand-alone telephone answering system allows the user to retrieve or delete messages, screen incoming

calls, intercept calls or monitor sounds in the room

where the answering system is located, from a cordless handset.

One of the hottest ways to wish someone a happy holiday this year is to say, "vroom, vroom." Shirley Gardner, sales associate at a Chicago AT&T Phone Center, says, "The latest craze is the Harley-Davidson® telephone at \$69.95. All age groups are buying the Harley."

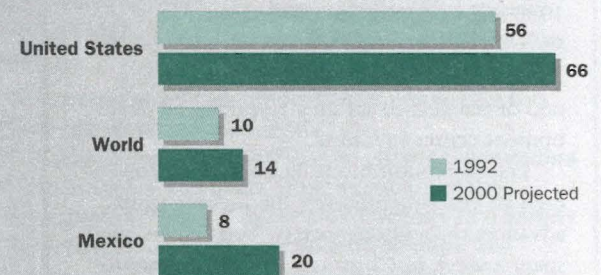
Or check out the new AT&T 340 telephone/clock radio combination that just became available at AT&T Phone Centers in November. At the special sale price of \$49.99, good until Dec. 31, the convenience of having one piece of gear on the nightstand instead of two makes this a bargain. It comes in dove gray, and two alarms can be set to go off at different times. If the radio is playing when the phone rings, the radio stops when the user picks up the handset; it starts again when the user hangs up.

AT&T's new family of cordless phones also make excellent gifts. See Newsbriefs, page 2. ■



TELEDENSITY

Main telephone lines installed per 100 people



Source: World Telecommunications Development Report 1994, International Telecommunications Union.



The Honorable Jiang Zemin, president, People's Republic of China, greets Bob Allen during his week-long visit with government officials, employees and customers in China.

AT&T Transmission System Links Mainland China with Hong Kong

By Tom Landers

Even as many telecommunications users around the world ponder the question, where is the on-ramp to the information superhighway, China now has one in place. It's an ultra-high-speed digital transmission system between Guangdong Province and Hong Kong that was supplied by AT&T.

Network Systems and inaugurated in mid-November.

"The Synchronous Digital Hierarchy (SDH) system AT&T has delivered is the fastest transmission system in China, and as fast as any commercially available anywhere in the world," said AT&T Chairman Bob Allen, who participated in ceremonies in Guangzhou, China, that opened the new system. "It's also the first international ultra-high-speed link for both China and Hong Kong."

SDH is an international transmission standard that offers the sophisticated level of flexibility, reliability and quality needed in modern transmission networks. In addition to voice telephone calls, it provides the capability for new types of services, such as real-time banking, high-speed digital data transfer, video and image transmission. And the system is capable of transporting 2.4 billion bits of information a second—equivalent to more than 30,000 simultaneous calls on a single pair of optical fibers.

The new link is crucial: Hong Kong and China account for about half of each other's international traffic, and Guangdong is responsible for almost 80 percent of China's total inbound and outbound traffic.

Allen also announced that AT&T plans to invest an additional \$150 million in China by 1996 and to double its 1,000-strong work force there within three years. In addition, the company plans to sign an agreement by the end of the year to set up a research and development center in China.

"Telecommunications has long been considered an enabling industry: the fuel for rapid advances throughout society," said Allen, who spent a week in China meeting with government officials, AT&T employees and customers. "With this inauguration, Guangdong and Hong Kong again lead the way in putting advanced information systems to the task of economic development."

"China is the largest telecommunications infrastructure market in the world, and it likely will be that for about the next 30 years," said

Bill Warwick, chairman, AT&T China.

China is adding 12 million to 15 million lines of capacity this year, and is expected to quicken the pace. To put that growth in perspective, it's comparable to adding each year the total number of lines served by a regional Bell company.

AT&T recently signed contracts worth \$150 million to supply equipment and services to southern Guangdong Province as the first part of a five-year, \$500 million agreement announced in September.

AT&T and its partners operate nine joint venture companies in China in switching, transmission, fiber optics and cable manufacturing, and consumer products. ■

"Telecommunications has long been considered an enabling industry: the fuel for rapid advances throughout society"

—Bob Allen

AT&T Stands Out at Summit of the Americas

By Tom Landers

Although the Summit of the Americas in Miami has ended, AT&T hopes the event served as a watershed in the company's efforts to boost its brand awareness and to position the company for growth throughout the Western Hemisphere.

As one of the official corporate sponsors of the largest summit of Western leaders (and the first such meeting ever held in the United States), AT&T used every opportunity to stand out by offering customized products and services to meet the telecommunications needs of the dignitaries and reporters.

Upon arriving in Miami, the 34 heads of state (all democratically elected, another first) discovered that they could have left home without their credit cards—each was given a personal AT&T Universal Card with a \$500 line of credit toward free telephone calls prior to and during the conference.

AT&T provided long-distance service and telephone equipment for the heads of state at the hotels where they were staying, as well as for the traveling White House, U.S. State Department and United States Information Agency staffs. AT&T also furnished a *Definity* system to the host committee, which spent months planning for the Dec. 9-11 conference.

Technology on Display

To handle the communications needs of the estimated 6,500 representatives of the news media who covered the event, AT&T installed more than 2,200 single-line telephones in the International Media Center, made available pre-paid calling cards, and provided card-reader phones and facsimile machines at calling centers in the delegations' hotels. AT&T Network Systems reinforced and upgraded Southern Bell's Subscriber Line Carrier Emergency Restoration Trailer, which provided 4,000 lines to serve the International Media Center. In addition, Network Systems arranged with Southern Bell to provide a redundant backup system.

Several AT&T business units took advantage of exhibit space at the International Media Center and at the Summit of the Americas Showcase trade show to demonstrate various leading-edge technology products and services. Among items displayed were Global Information Solutions' Remote Personal Counseling terminal, Paradyne's AT&T *VoiceSpan* technology, Network Systems' Discover America Services, as well as video communications, ISDN applications, fiber-optic and cellular technologies. Distance learning applications also were shown, via the AT&T *Vistium* Personal Video System.

In addition, AT&T sponsored or co-sponsored several events related to the summit, including a reception and dinner honoring Caribbean heads of state and a telecommunications luncheon.

A key topic at the summit was trade within the region. Members of the U.S. delegation pointed out that two-thirds of the United States' export growth in the last two years has come from the Americas, which are now a larger customer for U.S. exports than either Europe or Asia, and that Latin America is one of the few regions in recent years where the United States has enjoyed a trade surplus. ■

Kappel, Former Chairman, Dies

Frederick R. Kappel, whose 43-year career ranged from installing telephone poles for the Northwestern Bell Telephone Co. to making the first telephone call via the Telstar satellite as chairman of AT&T, died Nov. 10 in Sarasota, Fla. He was 92.

As president of Western Electric, Kappel made the decision in 1954 to begin offering telephones in a variety of colors beyond the time-honored basic black. In 1956, Kappel was elected president and chief executive officer of AT&T, and in 1961, he was named chairman of AT&T, succeeding Cleo F. Craig.

During Kappel's tenure as chairman, AT&T surpassed 3 million shareholders, introduced *Trimline* and Touch-Tone telephones, inaugurated the Cable Ship Long Lines and cut into service the first commercial electronic central office. On July 10, 1961, during

Telstar's sixth orbit of the earth, Kappel made the first call over the satellite to Vice President Lyndon Johnson in Washington, D.C.



Frederick R. Kappel

Kappel retired as AT&T chairman in 1967, but continued as executive committee chairman until 1968 and as a director until 1970. After he retired from AT&T, Kappel held a number of key assignments in the Johnson and Nixon administrations, including chairman of the U.S. Postal Service, chairman of the U.S. Commission of Executive, Legislative and Judicial Salaries and chairman of the Commission on Postal Organization. He also served as chairman of the International Paper Company from 1969 to 1971.

Born in Albert Lea, Minn., in 1902, Kappel earned a bachelor of science degree in engineering from the University of Minnesota. In addition, he was awarded honorary doctorates from 14 universities. ■

AT&T to Celebrate Environmental Champions

In April the United States will celebrate the 25th anniversary of Earth Day, an event that calls for more than nostalgia. Begun in 1970 as an "ecological carnival," Earth Day was organized to raise public awareness of environmental issues and problems.

The concerns Earth Day addresses are more relevant and important now than ever, and the people of AT&T who play a part in keeping this a safer, greener earth deserve recognition. "Our success in going green depends on people," says AT&T Chairman Bob Allen, "and we need to celebrate our environmental heroes."

In preparation for Earth Day celebrations in April, AT&T is seeking examples of outstanding efforts of individuals and teams in the United States whose programs, projects and ideas have made environmental contributions in support of the business, or the community, during the last five years. Ten winners will be selected, five in the business category and five in the community category.

All submissions will be judged by Renew America, a non-profit environmental organization that promotes and chronicles projects that measurably protect, restore or enhance the environment. Winning candidates will be entered in Renew America's National

Awards for Environmental Sustainability (to be awarded in late 1995), and will receive an AT&T Environmental Champion appreciation certificate. In addition, AT&T will make a \$1,000 donation to a non-profit environmental organization of the winner's choice.

All entrants will receive a T-shirt celebrating the environment. To nominate an effort by you, your team or another person or team, contact Anna Stefanelli at 908-204-8265 (voice), attmail@astefanelli, or 908-204-8542 (fax) for a submission form. Deadline for entries is Feb. 1, 1995—but don't delay in letting us know about your fine efforts! ■

—Jean Pascual

